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10/6/05

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October 6, 2005

United States Environmental Protection Agency
Office of Regional Counsel (C-14J)
Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

EPA Region 5 Records Ctr.



285397

Attention: Mr. Tom Turner

**Re: Notice of General Liability;
Clayton Chemical Site
Our Client: Sandstrom Products Company, an Illinois Corporation
Our File Number 26143-0001**

Dear Mr. Turner:

We represent Sandstrom Products Company, an Illinois corporation in the above-referenced matter. Sandstrom Products Company received a Notice of General Liability Letter dated September 27, 2005 from the United States Environmental Protection Agency. We have reviewed that letter with our client, and we have reviewed the records database maintained by the Waste Management Division of the Agency (Janet Pfundheller, WMD, Records Manager)¹ concerning our client's purported liability at the Site, and we offer the following comments and General Denial of Liability.

As you can verify from the Agency's records, the Agency is reporting that our client is responsible for 12,775 gallons of reported hazardous material at the Site – a remarkably insignificant volume in relation to the several millions of gallons reportedly delivered to the Site over the remarkably long history of the Site. Moreover, according to the Agency's database, the materials reportedly associated with our client at the Site were delivered in very small incremental volumes over only a very short period of time.

¹ Specifically, Ms. Pfundheller provided us with a Compact Disc (released August 3, 2005) entitled "Clayton Chemical Superfund Site, SDMS Special Collection" #4788).

United States Environmental Protection Agency
Attention: Mr. Tom Turner
Re: Notice of General Liability; Clayton Chemical Site
October 6, 2005
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In addition, the Agency's records not only indicate an insignificant volume of material at the Site associated with our client, but there is no indication that the materials reportedly associated with our client were toxic or hazardous, or that they contained the contaminants of concern that are being addressed as part of the potential remedy at the Site.

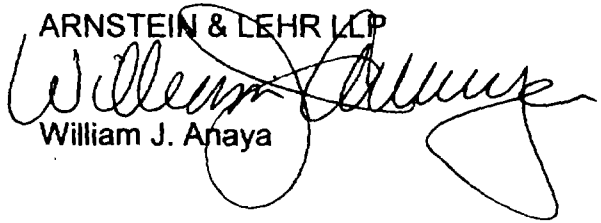
Please be advised that our client specifically denies all liability imposed pursuant to any theory or interpretation of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). Specifically, our client denies that the materials were toxic or hazardous; and that the materials purportedly associated with our client contained any hazardous substances or any of the contaminants of concern at the Site. Moreover, our client is not, and has never been, the owner of the Site. Our client has never held any indicia of ownership of the Site for security or for any other purpose. Furthermore, our client did not arrange for the disposal of these materials to the Site. If our client's materials were discovered at the Site, they were neither released nor threatened to be released at the Site, and they were delivered to the Site unilaterally by a Transporter who independently arranged for the transportation thereof to the Site independently of our client.

Notwithstanding the foregoing objections and General Denial of Liability, our client recognizes that CERCLA provides for *de minimis* and *de micromis* settlements with the Agency. To the extent that the Agency or any other interested party pursues or threatens litigation and liability under any theory of CERCLA liability against our client, then our client demands that USEPA, consistent with CERCLA, negotiate a fair and equitable *de minimis/de micromis* settlement agreement with our client and with others similarly situated, and provide our client with contribution protection in order to avoid unreasonable and wholly unnecessary transaction and litigation costs.

Please review the foregoing General Denial of Liability in response to the Agency's General Notice of Liability dated September 27, 2005, include it in the Administrative Record for the Site, and if you have any questions, please feel free to contact me.

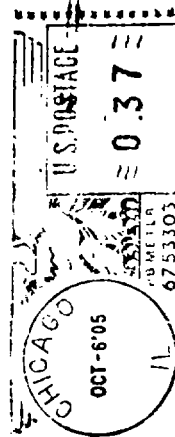
Very truly yours,

ARNSTEIN & LEHR LLP


William J. Anaya

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